Department of Veterans Affairs
Veterans Health Administration
Washington, DC 20420

Replaces VHA Directive 10-95-065

VHA DIRECTIVE 99-024

June 8, 1999

STANDARDIZATION OF SUPPLIES AND EQUIPMENT

1. PURPOSE: This Veterans Health Administration (VHA) directive establishes policies and procedures for the national standardization of supplies and equipment utilized in VHA.

2. POLICY
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a. It is VHA policy to standardize to the maximum extent possible the types and kinds of supplies and equipment it purchases, consistent with clinical and practitioner needs. ***NOTE:*** *Standardization is expected to facilitate best-value product pricing through volume purchasing, and should facilitate the delivery of high-quality health care.*

b. Items designated as VHA standard items are considered mandatory for use by all VHA activities.

3. ACTION

a. **Standardization User Groups**

(1) The VHA Chief Financial Officer (CFO) shall establish User Groups, as appropriate, for the purpose of identifying items for system-wide standardization.

(2) These User Groups shall be established by clinical and administrative product lines. Group membership will consist of, but not be limited to, a representative from the Office of Patient Care Services, a Veterans Integrated Services Network (VISN) Clinical Manager, VHA field representatives of the respective product line, and a representative from the Department's Office of Acquisition and Materiel Management (OA&MM). ***NOTE:*** *Representation from OA&MM will include appropriate contracting staff.*

(3) User Groups shall utilize their expertise in identifying, evaluating, and recommending candidate items for standardization. Items for review will be selected in priority order based on the greatest potential for dollar savings, as determined by the VHA CFO, the Chief Patient Care Services Officer, and the User Groups.

(4) With guidance from the Contracting Officer membership, User Groups shall determine an appropriate contracting approach for each commodity under review.

(5) User Group recommendations shall be distributed for comment and review to each VISN prior to final standardization action. Appropriate network staff and management, including VISN Clinical Managers, should review the proposals. If VISNs identify problems associated with group recommendations, such issues will be resolved by the User Group whenever possible, prior to final recommendation.

THIS VHA DIRECTIVE EXPIRES JUNE 8, 2004

(6) Final User Group recommendations shall be coordinated by the VHA CFO and reviewed through a concurrence process that will include the appropriate chief officers and the Chief Network Officer (CNO)**.**

(7) Once items have been selected for standardization, the VHA CFO and the Deputy Assistant Secretary (DAS) for OA&MM shall ensure that procurement action will be effected by the appropriate contracting office.

(8) Complementary to the VHA User Group process, VISNs (individually or collectively) are encouraged to identify additional items that may be appropriate for standardization. The VHA CFO and CNO will share VISN initiatives with all other VISNs and appropriate User Groups to determine if these initiatives have potential for nationwide standardization.

(9) VHA shall make maximum use of data systems that support standardization efforts.

b. **Exceptions**

(1) Prosthetic items for direct issue to beneficiaries and items specified in VHA Directive 98-021, Availability of Medical and Surgical Supply Products for Spinal Cord Injury Patients, are not covered by this directive.

(2) To allow for an orderly transition period, items that are currently being purchased on existing VISN-level standard item contracts may be "grandfathered" for continued usage up to one year from the date of this directive. The 1-year period is consistent with current policies which limit locally negotiated contract options to 12-month periods. It is also consistent with IL 90-97-9 which call for the inclusion of an escape clause in field based standardization contracts. ***NOTE:*** *When utilizing this exception networks should notify the CNO and VHA CFO.*

c. **Waivers**

(1) VISN Directors may approve requests for waivers to deviate from purchasing standardized products. A copy of all such waivers will be sent to the VHA CFO.

(2) Neither single facility staff preference nor the appearance of lower cost to a specific medical facility or VISN is sufficient justification for deviating from the national supply source for standardized products. Approvals should be based on appropriate clinical rationale.

(3) As part of the waiver process, the VISN Director should consult with the respective User Group, program official, and contracting officer.

(4) The VHA CFO and CNO will monitor the standardization process and waivers granted by VISN Directors, and report at least once per quarter to the Office of the Under Secretary for Health.

4. REFERENCES

a. Public Law 100-322.

b. Title 38 United States Code, Chapter 81, Section 8125.

5. FOLLOW-UP RESPONSIBILITY: The VHA CFO (17), is responsible for the contents of this directive. Questions may be referred to (202) 273-5662.

6. RESCISSIONS: VHA Directive 10-95-065 is rescinded. This VHA Directive expires June 8, 2004.

S/ by Melinda Murphy for
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Under Secretary for Health

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